

Message Text

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43

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SPC-03 SS-15

USIA-15 ACDA-19 IO-13 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 /192 W

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E.O. 11652: N/A

TAGS: PINT, CA

SUBJECT: GOC SURVIVES NO-CONFIDENCE MOTION ON COST OF LIVING
INCREASES.

REF : OTTAWA 2036

1. BEGIN SUMMARY. COMMONS REJECTED SEPT 10 MOTION BY
CONSERVATIVE OPPOSITION LEADER STANFIELD "THAT THIS HOUSE
HAS NO CONFIDENCE IN THE ADEQUACY OF GOVERNMENT MEASURES TO
DEAL WITH THE COST OF LIVING..." VOTE WAS 129-102. NEW
DEMOCRATIC PARTY (NDP) AND THOSE FEW SOCIAL CREDIT MEMBERS
WHO STAYED FOR THE VOTE SUPPORTED LIBERAL GOVERNMENT. NDP
SUPPORT HAD BEEN GUARANTEED BY NDP CAUCUS (REFTEL) AND RECON-
FIRMED ON FRIDAY, SEPT 7 BY NDP LEADER DAVID LEWIS PRIOR TO
DEBATE. DISCUSSION WAS NONETHELESS ACRIMONIOUS, AND MARKED BY
PARTICULARLY SHARP EXCHANGES BETWEEN CONSERVATIVES AND NDP.
BARRING TOTALLY UNFORSEEN EVENTS, RESULT PRESAGES CONTINUATION
OF TRUDEAU GOVERNMENT AT LEAST UNTIL SPRING 1974. END SUMMARY

2. STANFIELD REPEATED CONSERVATIVE PROPOSAL FOR TEMPORARY
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WAGE AND PRICE FREEZE TO OVERCOME "INFLATIONARY PSYCHOLOGY."

HE CALLED GOVERNMENT PROPOSALS TO DEAL WITH INFLATION "MAKESHIFT HODGEPODGE" AND ACCUSED FINMIN TURNER OF MISMANAGEMENT AND INDECISION. HE MENTIONED APPARENT VACILLATION ON PIPELINE TO CARRY WESTERN OIL TO QUEBEC AS TYPICAL OF GOVERNMENT'S INABILITY TO MAKE FIRM DECISIONS AND INDIFFERENCE TO REGIONAL INTERESTS. STANFIELD AND OTHER TORY SPEAKERS SAVED SHARPEST BARBS FOR NDP, ACCUSING LEWIS OF DISHONESTY, AND DESCRIBING NDP SUPPORT FOR GOVERNMENT AS POLITICAL EXPEDIENCY WITHOUT REGARD FOR CANADIAN PEOPLE.

3. LEWIS SAID NDP SUPPORTED GOVERNMENT AT THIS TIME BECAUSE: (A) CONSERVATIVE PROPOSAL FOR FREEZE WAS "IRRESPONSIBLE AND UNWORKABLE"; (B) NDP WISHED TO HELP PASS GOVERNMENT MEASURES TO INCREASE OLD AGE PENSIONS AND FAMILY ALLOWANCES, WHICH FALL OF GOVERNMENT WOULD POSTPONE UNTIL AFTER NEW ELECTIONS AT GREAT HARDSHIPS TO BENEFICIARIES; (C) CONSERVATIVES WOULD DO NO MORE THAN LIBERALS TO END "CORPORATE RIP-OFFS" OR EXCESS CORPORATE PROFITS.

4. SOCIAL CREDIT (SC) LEADER CAOUETTE CALLED CONSERVATIVE PROPOSALS INADEQUATE AND INCOMPLETE, RECOMMENDED INTEREST-FREE LOANS TO COMBAT INFLATION. ONLY HANDFUL OF SC MEMBERS REMAINED FOR VOTE.

5. LEWIS' EFFECTIVE PRESENTATION WAS GIVEN WITH USUAL FORCE AND AUTHORITY, BUT NDP REMAINS FACED WITH DILEMMA DESCRIBED REFTEL. INFLATION, PARTICULARLY IN FOOD PRICES, IS SERIOUS MATTER TO NDP CONSTITUENCIES IN LABOR UNIONS AND LOW-INCOME GROUPS. LEWIS MAY WELL BE CORRECT IN PREDICTING THAT TORIES COULD NOT SOLVE PROBLEM OF INFLATION ANY MORE THAN LIBERALS. HOWEVER, CONTINUED NDP SUPPORT FOR WHAT AN INCREASING NUMBER OF CANADIANS REGARD AS INEFFECTIVE GOVERNMENT HANDLING OF THE ECONOMY COULD DO THE NDP SUBSTANTIAL POLITICAL DAMAGE. THOSE NDP "IDELISTS" ALREADY UNHAPPY WITH "OPPORTUNISTIC" MPS CLINGING TO LIBERAL COATTAILS WILL BE MORE SO. BUT HAVING MADE BED AT CAUCUS, LEWIS CLEARLY DETERMINED LIE IN IT THROUGH WINTER.

6. MOST OBSERVERS ARE PREDICTING SPRING ELECTION. SHOULD ECONOMIC SITUATION DETERIORATE, NDP WILL SURELY PULL PLUG. IF IT IMPROVES LIBERALS, EMBARRASSED AND OCCASIONALLY FRUSTRATED LIMITED OFFICIAL USE

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AT NEED TO RELY UPON AND THUS PLACATE NDP, WOULD LIKELY SEEK CLEAR ELECTORAL MAJORITY.

7. PRESENT EMERGENCY SESSION OF PARLIAMENT WAS CONVENED TO PASS LEGISLATION TO END RAIL STRIKE, WHICH HAS BEEN ACCOMPLISHED. NORMAL SESSION WAS NOT TO HAVE RESUMED UNTIL OCT 15. THERE ARE SOME INDICATIONS, HOWEVER, THAT SESSION MAY CONTINUE WITHOUT RECESS UNTIL CHRISTMAS BREAK. CONSER-

VATIVES HAVE MADE CLEAR THEY WOULD BE HARSHLY CRITICAL OF ATTEMPT
TO ADJOURN PARLIAMENT WHILE COST-OF-LIVING CONTINUES RISE
SHARPLY AND UNTIL GOVERNMENT MEASURES TO MEET PROBLEM HAVE
BEEN DEBATED AND PASSED.
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